

Primary Market System and Regulation in India

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Abstract: *The primary market is also known as new issues market, which refers to the market where securities, such as stocks, primary bonds, and debentures, are created and issued for the first time by companies or governments in order to raise capital. In finance we refer to the market where new securities are bought and sold for the first time as primary market*

In the primary market, companies or governments sell their securities directly to investors, who purchase them for the first time. The primary market plays an important role in the economy as it provides companies and governments with a way to raise funds, and investors with an opportunity to invest in new securities

An example of a primary market transaction is when a company issues new shares in an initial public offering (IPO). The shares are sold directly to the public, and the proceeds from the sale go to the company. This allows the company to raise capital to finance its operations, growth, or other corporate initiatives

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